true of a pine tree. It makes valuable sawing timber only when it grows in a forest, yet we would scarcely assert that when it grows in the open it is not a pine tree. A theory of value which seems to depend for its validity upon some of these peculiar notions of the social psychologist may be interesting, and it may be useful if it makes us look at things from a new point of view; but it is not necessarily a sign of obtuseness or unprogressiveness if we do not show great haste or precipitation in accepting it, particularly if its acceptance must be preceded by a renunciation of all others.

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Monetary Economics. By W. W. CARLILE. New York: Longmans, Green & Co., 1912. 8vo, pp. xii+306.

Mr. Carlile's book contains a few chapters on money but is not a treatise upon this subject. The word "Monetary" in the title "is rather to be looked upon as a Homeric epithet than as a differential adjective. *There is no economics that is not monetary*" (p. 7; italics are the reviewer's). Being an emphatic man, the author does not mind insisting upon a point, even in the title. Since the book is not a principles of money, one might conclude that it must be simply a principles of economics. It is not this, however, at least not in an ordinary sense. It is instead a sort of philippic against economic theory, especially against the economics of the "university" theorists. A theorist is a producer of "elusive phantasms," "clouds of words to vex the souls of the uninitiated," to say nothing of "impenetrable fog banks of verbosity." Some of the theorists to receive especial chastisement are Mill, Marshall, Edgeworth, Pigou, v. Wieser, v. Böhm-Bawerk, J. B. Clark, Seligman, and Irving Fisher. When Mr. Carlile leaves off with these gentlemen their works appear to lie in ruins. Generally speaking, writers on economics fall into two classes, theorists and eminent economists. Eminent economists seem to be chiefly that class of writers whose views, especially on matters monetary, coincide with those of Mr. Carlile. Thus there is that eminent economist, M. Yves Guyot, who knows that whatever fluctuations index numbers may show, it cannot be the value of gold that varies; or Mr. Harold Cox, "able and cautious," who realizes that M. Yves Guyot is right (p. 155).

The superstition that terms should be defined comes first among the dogmas of the theorists demolished by Mr. Carlile. Chaps. i to iv suffice to lay this error. Mr. Carlile maintains with fervor that terms

should not be defined but should merely be used naturally in a context in accordance with their true popular meanings. Next, it should be reported, the entire literature of marginalism is scrapped. Marginal land is nonsense. Marginal products and marginal productivity have no meaning. Marginal utility is "farcically absurd" (p. 96). At one point our author says: "the marginalists are, of course, here in the throes of their life-long struggle, by hook or by crook, to appear, somehow or other, to be dealing with commercial transactions in non-monetary terms" (p. 96). And it is just this that is the high crime of theory. When reasoning as if there were no money the theorist imagines he is going beneath money and becoming profound: he is in truth merely displaying his foolishness and superficiality. Between pp. 65 and 67, the author is employed in making kindling wood of the static state. This unfortunate condition is one in which "a curate would without hesitation undertake to kill and skin a bullock." In it human nature is "denuded of most of its usual characteristics" and the theorists are uncertain whether the ruling "conditions" of the solar system should not be excluded by hypothesis (p. 66). Also, it may as well be said, "as soon as we relinquish the guidance of the conditions of real life, we flounder at once in fathomless quicksands" (p. 67). The doctrine that market price seeks a point which will make the volume of the supply and the volume of the demand equal is "wholly devoid of foundation" (p. 104). Marshall's notions regarding elasticity and inelasticity of demand are "absurd" and "correspond to nothing whatever in the world" (p. 101). The theorists' device of breaking up incomes popularly known as profits, into economic interest, rent, and wages of management, is denounced as a method of "legal fiction" (p. 222). In fact, the entire apparatus of explanation currently known as economic principles, from the law of supply and demand down, or out, or down and out, has not a gear left in mesh when Mr. Carlile finishes with it. The author's method of attack on a "theory" is illustrated by certain of his animadversions upon Böhm-Bawerk. This economist has claimed that production goods have value because their (expected) products have an anticipated value, and for no other reason. He expresses his thought at one point by saying that value is "conducted" from product to production goods. This causes Mr. Carlile to rush forth with sections on "Value as an Electric Fluid" and "Causation Working Backwards in Time" (pp. 88–91).

Perusal of the book shows that if we should take away what the author has to say of the opinions of others, about four-fifths of the text would disappear. The remaining fifth consists in an exceedingly com-

monplace miscellany ornamented with various philosophical and historical irrelevancies and literary allusions. In this, the positive part of the argument, there is not the semblance of a coherent or systematic explanation of the industrial world. What we find is merely a few detached observations put forth at the places where they seem serviceable in the criticism of any schemes of taxation or reform which would appear reprehensible to the natural city merchant. Sample contributions of a positive character are: "The most indispensable of all the factors in the production of wealth is foresight" (p. 173). "Wages are limited by capital . . . . and there is no possible method of bringing about a general increase of wages for labour in any country, except that of first bringing about a general increase in the profits of capitalists" (p. 204). The interest rate has no relation to the disposition of people to save. "The absurdity of the answer currently given by the theorists" to the question of the origin of interest is obvious. The sum and substance of the tenable theory seems to be that "interest is thrown in as an added advantage to the saver by the beneficent nature of things" (p. 218). Chap. xxi on "Demand and Wealth Production" is evidently intended to be a contribution, but about all the reviewer can get out of it is the thesis that "increasing supply operates to create increasing demand." The reviewer has rarely met with anything more confused than this chapter. In it the marginal utility theorist is spoken of as treating "demand as constant" (!) and thus of making the blunder of confining investigation to the conditions of the supply (p. 243)! Chap. xxii on "Physical and Psychological Demand" begins with a section on the "power of opinion," treats of the Malthusian theory, the fall of the birth-rate, and ends in a section on "war and progress"! Perhaps the most interesting views of Mr. Carlile are those touching the value of gold. The "Quantity Theory" is one of his pet aversions. On p. 155 he quotes with apparent approval the assertion of another that it cannot be a change in the value of gold which index numbers show. On p. 157 he refers to the "fancied fall" in the value of gold which economists profess at present to detect. On p. 152, however, he asserts that the quantity theory merely has matters reversed since in truth an increase in the quantity of money tends to *lower* prices *because it tends to increase the demand for commodities and "the ultimate effect of increased demand is to bring down prices"* (*sic!*) (p. 152). Finally, if gold should come to be extracted in unprecedented quantities, say from sea water, a real fall in its value might ensue, distinguished from a fancied fall, and this would come solely because of a "*setting in of distrust of gold as a medium for the*

storage of purchasing power" (p. 157). From the present reviewer's standpoint the work has nothing to commend it, either in its constructive or its critical aspects. Mr. Carlile seems incapable of fair and intelligent criticism.

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Problems in Railway Regulation. By HENRY S. HAINES. New York: Macmillan, 1911. 8vo, pp. 521.

The author is ex-president of the American Railway Association, and ex-vice-president of the Plant System of Railway and Steamship lines. This is the third book which he has published since 1906 on subjects connected with the government regulation of railways. The earlier works were based on lectures delivered at the Boston University School of Law, and were to a considerable extent historical in character; the volume under review discusses current problems. An enumeration of the subjects dealt with will indicate the wide field covered. Chaps. i–vi are historical. Chaps. vii and viii take up railroad promotion, consolidation, valuation, and capitalization. Chap. ix considers the regulation of construction, grade crossings, the battle of the gauges, and the merits of electricity as a motive power. Chap. x treats of accidents and car shortage, chap. xiv of labor; and the rest of the book is concerned with rates.

The attitude is distinctly critical. "Instead of undertaking to regulate all things by the prescience of our finite wisdom," Mr. Haines remarks, "it might be well to leave some of them to be determined by that orderly evolution of events which is designated as Providence" (p. 516). And again, "Railroad corporations are now substantially stripped of the peculiar powers and privileges which they so long enjoyed with actual freedom from external restraint. There remains to them little more than the exercise of the early franchise of a joint-stock company for trading purposes, under the vaguely defined restrictions of the Anti-Trust law" (pp. 491–92).

The reviewer is not altogether out of sympathy with a good deal of this discussion. Whether it be well founded or not, however, there is no excuse for the carelessness with which the facts and figures in the volume have been compiled. Mr. Haines has relied on his memory for statements of fact, and has apparently let a great many of his statistics go in without checking. The following examples of inaccuracy will perhaps suffice. The author says that the Massachusetts Railroad